



**JBS City of Long Beach**  
**Jobs and Business Strategy**  
Our Vision for the Future

# **Executive Summary**

## **Long Beach Jobs and Business Strategy**



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# 1 EXECUTIVE SUMMARY

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## Purpose and Background

The City of Long Beach is often described as a jewel in southern California. With a population of nearly 490,000, it is a vibrant community with a collection of diverse, interlocking neighborhoods comprising the fifth largest city in the state.

With one of the most ethnically diverse populations in the nation, and residents from all walks of life and socio-economic classes, Long Beach retains a cohesive identity and a strong pride of place. The city's active and informed population is politically involved in both neighborhood-specific and community-wide issues.

In the 1990's, Long Beach suffered serious economic setbacks due to military base closures, major job losses in the aerospace sector and a seriously deteriorated downtown. With strong leadership and an aggressive revitalization effort, we have established momentum on the challenging path to recovery.

However, some facts of our economic reality remain alarming:

- ***Our middle class is shrinking.*** In 2003, 24% of Long Beach residents lived at or below the poverty line - almost twice the poverty rate of California.
- ***Job quality in Long Beach has declined.*** Of the 10,000+ jobs lost in manufacturing and defense, most have been replaced by lower-paid employment in the tourism and retail sectors.
- ***We are geographically segregated by income, education and ethnicity.*** The divide between east and west Long Beach is dramatic. Based on City Planning clusters, 28% of households on the west side live in poverty, while only 7% of east side residents are poor. Thirty-seven percent of west side adults are high-school dropouts, while less than 7% of east side adults are drop-outs.
- ***Housing is less affordable.*** In June of 2005, the cost of a median single family home was \$511,000, and a median condo was \$322,000.
- ***Sales tax revenues remain low.*** In 2002, Long Beach underperformed by \$389 million in retail sales for a city of its size – these potential sales dollars of Long Beach residents went to competitor cities. Many retail jobs that could be in Long Beach are in neighboring communities as a result of this retail sales leakage.
- ***A significant portion of the future workforce is not prepared to enter the job market.*** Some of our youth are in trouble; 21% of 16-24 year olds are high-school dropouts and 19% of our youth (including those with and without high-school diplomas) are not employed and not in school.

As an older city, Long Beach struggles with deteriorated public infrastructure, blighted commercial corridors and high poverty rates. However, unlike most large urban centers, which also face many of the same problems, Long Beach has a relatively small job base and a corresponding smaller tax base.

A vital and prosperous economy is essential for ensuring a high quality of life and prosperity for residents, workers and employers. As a community we have all the components needed to make this a thriving, world-class city. This Volume I: Long Beach Jobs and Business Strategy ("JBS") is the first

economic development strategy for the City of Long Beach. It is intended as a guide to meaningful decisions, actions, programs and projects needed to achieve long-term economic prosperity for the city of Long Beach.

<u><i>What the JBS is ...</i></u>	<u><i>What the JBS isn't ...</i></u>
<ul style="list-style-type: none"><li>✓ <i>For the entire community</i></li><li>✓ <i>A vision &amp; strategy</i></li><li>✓ <i>Informed by economic analysis, extensive public process, staff involvement</i></li><li>✓ <i>13 Key Strategies &amp; 22 additional strategies</i></li><li>✓ <i>A set of implementation best practices, potential action items, and general outcome metrics</i></li></ul>	<ul style="list-style-type: none"><li>✓ <i>An implementation plan</i></li><li>✓ <i>An implementation timeline</i></li><li>✓ <i>A cost/benefit analyses, ROI analyses or cost estimates</i></li><li>✓ <i>A list of specific outcome metrics tied to specific action items or strategies</i></li></ul>

## Process

The Long Beach 2010 Strategic Plan, established in 2000, charged the Economic Development Commission with the responsibility for engaging a consultant and overseeing the development of a strategy to enhance the economic well-being of the City.

This process was initiated with an extensive evaluation of our current situation. The resulting report, *Volume II: Long Beach Economic and Market Analysis*, provides a comprehensive view of who we are as a community and our economic strengths and weaknesses.

Armed with the key findings of this report, the study team went to the community for input. An unprecedented 832 community leaders, business operators, workers and residents participated in 21 key informant interviews, 17 focus groups, three city-wide meetings and 21 neighborhood and business community meetings. The results of the community outreach are published in *Volume III: Long Beach Community Input Report*.

The Jobs and Business Strategy is the product of community input, a review of best practices of other successful urban populations and input from a wide range of non-profit and business partners. This is a five-year strategy for the whole of Long Beach designed to bring us together as a thriving, single community.

## Our Vision for the Future

Four basic goals were established with corresponding strategies to accomplish the following:

1. Achieve and sustain a **growing prosperous economy**
2. Create **economic opportunity**
3. Establish **fiscal health** and promote revenue growth to fund City services
4. Promote an **excellent quality of life** for residents, workers, employers and visitors

These goals are interdependent upon each other. A growing, prosperous economy leads to economic opportunity for residents and new investment in neighborhoods. New economic opportunities for residents reduce the need for City-funded services and improve the City's fiscal health. Finally, an improved quality of life will attract new economic growth.

## Key Strategic Initiatives

The Jobs and Business Strategy details thirteen Key Strategic Initiatives for promoting economic growth in Long Beach and achieving success over the next five years.

### OUR VISION

*By 2010, as the most diverse and vibrant coastal city in southern California, Long Beach offers ...*

- *A great place to live and work, with a diversified high-quality job base and a skilled workforce. Businesses prosper in attractive and modern industrial, office and institutional space.*
- *An economy that provides opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.*
- *The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.*
- *A great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings. Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.*

#### To Achieve a Prosperous Economy:

##### Create a Strong, Diversified and Growing Economy

1. Develop **successful partnerships** with the community to support economic development
2. Focus more resources on the **retention and expansion** of existing businesses
3. **Build on our economic strengths** in Health Services, Education, Manufacturing, Trade & Professional Services
4. Preserve and **retain industrial land** for manufacturing & trade

##### Create a Positive Environment where Businesses Flourish

5. **Improve customer service** to the business community and create a more business-friendly climate
6. Improve the speed, predictability and consistency of the **development review process**

##### Encourage Private Investment and Improve Infrastructure

7. Use this Strategy to inform the **General Plan** update to help us realize our economic vision
8. Work with the Port and State/Federal governments to **reduce traffic congestion** on Interstate 710

#### To Increase Economic Opportunity:

9. Expand and **improve internship opportunities & vocational education** for at-risk youth

#### To Improve our Fiscal Health:

10. **Track performance** of economic development efforts and engage in continuous improvement
11. Develop a **big box land use** policy

#### To Promote Quality of Life:

12. Encourage more **workforce housing**
13. **Reduce violent crime** and expand community policing

## Other Strategies

In addition to these thirteen Key Strategic Initiatives, the document contains 22 other strategies that address other important opportunities for economic development and growth.

**Douglas Park**, on the former Boeing Manufacturing site, offers an opportunity to implement many of these strategies, including creating high paying jobs, building on our economic strengths, growing tax revenues and preserving and retaining industrial land.

## Next Step: Community and City Implementation

There is much work to be done. We must apply resources as effectively and purposefully as possible. Success will require us to mobilize the energy, passion and talents of the community – its businesses, institutional partners, residents, neighborhoods, community leaders and others who want to see Long Beach flourish. To realize our aspirations we must:

- Ensure that City priorities reflect this strategy.
- Work to reinforce city-wide thinking.
- Use the Jobs and Business Strategy as the consistent vision for the community.
- Continue to build and employ community partnerships for strategy implementation.

City staff will need to continue to reach out to, and develop working relationships with, each other, outside agencies, institutions and businesses in order to implement many of these strategies. City Council might also designate the City's Community Development Department as the lead agency responsible for sustaining and overseeing strategy execution and the Community Development Director as the strategy's champion. A variety of City Department Directors and Bureau Managers will need to implement these strategies and goals within their Departments and Bureaus, including identifying staff capability, budget availability, timelines and which specific action items to implement. Staff should engage in a continuous improvement process and track performance objectively and with transparency. Finally, the Economic Development Commission could continue to work to bring together all community partners for implementation and work with staff to report implementation progress to City Council on an annual basis.

## In Conclusion

This is an exciting time for the City of Long Beach, and yet a challenging time as well. As recommended by the community in its Long Beach 2010 Strategic Plan, this Jobs and Business Strategy was developed to help provide a framework for achieving an economy that offers prosperity, opportunity and a good quality of life for residents and businesses.

While change is often difficult to initiate and embrace, it is necessary in order to achieve our vision. A wide cross-section of the community participated in the formation of this strategy because they want Long Beach to be a better place. Our responsibility is to act on this grass-roots referendum for change.